

CHAPTER IV  
COVERED SERVICES AND LIMITATIONS

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**CHAPTER IV**  
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## **CHAPTER IV COVERED SERVICES AND LIMITATIONS**

### **INTRODUCTION**

The Individuals with Disabilities Education Act (IDEA) requires local education agencies (LEAs) to provide students with disabilities a free and appropriate public education, including special education and related services according to each student's Individualized Education Program (IEP). While LEAs are financially responsible for educational services, in the case of a Medicaid or Children's Health Insurance Program (CHIP)-enrolled student, state agencies that administer Medicaid and CHIP programs may reimburse part of the costs of providing the services identified in the student's IEP if they are covered under the state's plan for medical assistance and determined to be medically necessary by a qualified professional.

Medicaid programs may also reimburse LEAs for costs associated with providing the federally-required screening services that are part of the early and periodic screening, diagnostic and treatment services (EPSDT) benefit for Medicaid-enrolled students. See the EPSDT Supplemental Provider Manual available online at the Virginia Medicaid Web Portal for guidance on DMAS-covered well child visits and EPSDT screenings at [virginiamedicaid.dmas.virginia.gov](http://virginiamedicaid.dmas.virginia.gov).

LEA school-based services described in this chapter are covered by the Virginia Department of Medical Assistance Services (DMAS) for Medicaid-enrolled students, and for students enrolled in Virginia's Family Access to Medical Insurance Security (FAMIS) program. (Note: Virginia's CHIP program is known as the FAMIS program.). Individual service providers of LEA school-based services must meet the qualifications described in Chapter II, "Provider Participation Requirements." Providers meeting these requirements are referred to throughout this chapter as "DMAS qualified providers."

### **DMAS REIMBURSABLE SERVICES PROVIDED BY LOCAL EDUCATION AGENCIES**

Evaluations for DMAS-covered services, and ongoing services, when authorized through a Medicaid or FAMIS-enrolled student's Individualized Education Program (IEP), are carved out of the DMAS managed care delivery system and claims for payment are processed on a fee-for-service basis. Covered services include:

- Physical therapy (PT)
- Occupational therapy (OT)
- Speech-language pathology (SLP)
- Audiology
- Nursing

- Psychiatry, Psychology, and Mental Health
- Personal Care
- Medical Evaluations
- Specialized Transportation
- Service-specific Evaluations

#### Non-School-Related Services Received from Non-School Providers

Many children enrolled in special education who receive LEA school-based services via their IEP also receive Medicaid or FAMIS covered services outside of special education (e.g., a student receives outpatient physical therapy services from a private provider as ordered by their personal physician). **A child's Medicaid or FAMIS eligibility for and coverage of services received from non-school providers outside of their IEP are not impacted by the fact that the child receives Medicaid/FAMIS-reimbursable services under the IEP.**

#### **ELIGIBILITY REQUIREMENTS**

For an LEA to receive reimbursement for providing LEA school-based services, the student receiving the service must be currently enrolled in Medicaid, FAMIS, FAMIS Plus, or FAMIS MOMS. The LEA Provider Manual outlines the requirements that LEAs must meet in order to bill for services provided to eligible students under the age of 21. **LEAs should refer to the Rehabilitation Manual, Psychiatric Services Manual, and Physicians/Practitioners Manual available on the Virginia Medicaid Web Portal ([www.virginiamedicaid.dmas.virginia.gov](http://www.virginiamedicaid.dmas.virginia.gov)) for guidance on serving students eligible for special education who are over the age of 21.** Students may have frequent changes to their type of coverage, so eligibility should be verified at each point of service.

#### Checking Eligibility and Enrollment on the Virginia Medicaid Web Portal

The Virginia Medicaid Web Portal is used by authorized LEA Medicaid billing coordinators to access a student's Medicaid or FAMIS information for purposes of checking eligibility and enrollment status, or for checking the status of a service claim. **LEA billing and service provider staff must follow all applicable state and federal laws and regulations concerning access to student information.**

### First-time Registrations to the Virginia Medicaid Web Portal

First-time users can navigate to the Virginia Medicaid Web Portal and establish a user ID and password. Note: portal registration is different from provider enrollment. A service provider may enroll with DMAS without being registered to access the portal, and an individual (e.g., school Medicaid coordinator) can register with the portal without being an enrolled service provider. DMAS recommends that all enrolled service providers register through the portal in order to facilitate the enrollment process, receive important DMAS announcements via email, and access provider information and training materials. Answers to the most common questions regarding the registration process may be found within the Web registration reference materials available on the Web Portal. If further assistance is required, however, please contact the Virginia Medicaid Web Support Help Desk (toll free) at 1-866-352-0496.

### Eligibility Verification

See Chapter I of this manual for information on checking a student's eligibility for Medicaid or FAMIS.

## **MEDICAL NECESSITY**

Under DMAS' State Plan for Medical Assistance, approved by the Centers for Medicare and Medicaid Services (CMS), covered School-Based Services must be necessary to "correct or ameliorate defects of physical or mental illnesses or conditions". Identification of illnesses or conditions, and services necessary to correct or ameliorate their effects is done by practitioners qualified to make those determinations within their licensed scope of practice.

Services provided by or supervised by a licensed nurse must be based on an active, written plan of care that is based on a written order from a physician, physician assistant or nurse practitioner. This order must be recertified on an annual basis. (Please note the physician, physician assistant or nurse practitioner does not have to be a part of the IEP team to order these services.)

## **CRITERIA FOR COVERED SERVICES (GENERAL)**

### Medical and Service-Specific Evaluations

DMAS covers evaluations performed by a DMAS-qualified provider, acting within the scope of his or her license. This includes Medical Evaluations performed by a physician, nurse practitioner or physician assistant, and evaluations performed by specific covered service-providing disciplines (PT, OT, SLP, Audiology or Psychology/Mental Health). In

order to bill for evaluations, the evaluation, listed as a service itself (e.g., “PT evaluation”), or the service type providing the evaluation (e.g., simply “PT”) must be listed or referenced in the student’s written IEP plan.

### School-based Services Provided in the Student’s Home

LEAs may bill for covered services provided in the student’s home by LEA-paid employees or contractors. The service must be included in the IEP and all other conditions for coverage must be met.

### Consultation Services

DMAS does not cover professional consultations (interactions between two or more providers in regards to the student’s care).

### Professional Therapies

The following guidelines are designed to assist with determining medical necessity for “rehabilitation and habilitation” professional services (therapy services) that are billable to DMAS by LEAs. Rehabilitation and habilitation services include PT, OT, SLP and audiology.

A service may not be billed as a therapy service if it does not require the skill level of a qualified therapist to carry out the activity. For example, DMAS will not reimburse for a professional service performed by a qualified therapist working with a student on a particular IEP goal if the goal can be met by a trained personal care assistant providing a personal care service.

### Therapy Definitions

To be covered, therapy services must meet criteria for rehabilitation or habilitation services.

- *Rehabilitation:* Necessary medical services needed for improving or restoring functions which have been impaired by illness/disability/injury.
- *Rehabilitation Therapy to Ameliorate Symptoms or Prevent Disease Progression:* Necessary medical services to ameliorate (to make better or more tolerable) disease symptoms or to prevent disease progression.
- *Habilitation:* Necessary medical services needed to assist a student in developing new skills or functions that they are incapable of developing on their own. Example: A student who was never able to walk and now has gained the ability to walk. (Habilitation services are only covered for students under the age of 21.)

Maintenance level services do not require the skill level of a qualified therapist acting

within the scope of his or her license, and typically do not meet the definitions of rehabilitation or habilitation services. These services, however, may be medically necessary for the student to maintain current level of function and avoid more intensive services. DMAS reimburses for maintenance level services performed by a personal care assistant (PCA) in the schools when supervised by a DMAS qualified provider acting within the scope of his or her license (see Personal Care Services section).

## **ADDITIONAL GUIDANCE FOR THERAPY SERVICES**

### Definition of a Visit

A visit is defined as a meeting or interaction between the student and one or more service provider(s) for purposes of providing LEA school-based, covered services. Visits are not defined by increments of time or by a particular location. The furnishing of one or more services by a particular provider on a particular day or at a particular time of day constitutes a visit. For example:

- An SLP provider furnishes one or more covered services to a single student during a single meeting or interaction: this constitutes one visit.
- An OT provider furnishes one or more covered services during two distinctly separate meetings or interactions that occur in the same day (e.g., a morning session and an afternoon session): this constitutes two visits.
- A PT provider and an occupational therapy provider furnish different covered services to a single student on the same day at different times: this constitutes two visits.
- A PT provider and an OT provider, working together on the same goal, furnish a covered service for a student during a single meeting (e.g., two therapists are required to perform a single procedure). This constitutes a single visit.

Some therapy services may be provided in a group format. DMAS will reimburse for covered group therapy services for covered students when the group consists of at least two participants. Providers must consult their individual practice guidelines for appropriate maximum group size limits, which may vary depending on specialty, modality and treatment goals. In these instances each student is receiving a separate “visit”, and each visit may be billed.

### Physical Therapy

PT services may be reimbursed by DMAS under the following conditions:

- The services must be included in the student’s IEP and must be directly and specifically related to an active written plan of care developed by a DMAS qualified physical therapist;

- The services must be of a level of complexity and sophistication, or the condition of the student must be of a nature that the services can only be performed by a DMAS-qualified physical therapy provider as defined in Chapter II of this manual;
- Based on the assessment made by the licensed PT, services must be provided with the expectation that the condition of the student will improve in a reasonable and generally predictable period of time, or the services are necessary to ameliorate the condition or slow the disease progression;
- The services must be provided to address an established diagnosis using the current International Classification of Diseases (ICD) manual; and
- The services must be specific and provide effective treatment for the student's condition in accordance with accepted standards of medical practice.

The licensed PT must develop a plan of care; however, the implementation of the plan may be carried out by a licensed physical therapy assistant (PTA) as defined in Chapter II of this manual.

Note: Covered physical therapy services must be provided by DMAS-qualified physical therapy providers. These services may not be performed by supportive personnel (e.g., unlicensed service providers including physical therapy aides, personal care assistants, nursing staff, volunteers). Please refer to Personal Care Assistant Services section of this chapter for more information on covered services performed by these individuals.

### Occupational Therapy

Occupational therapy services may be reimbursed by DMAS under the following conditions:

- The services must be included in the student's IEP and must be directly and specifically related to an active written plan of care developed by a licensed occupational therapist who is also a DMAS-qualified provider;
- The services must be of a level of complexity and sophistication or the condition of the student must be of a nature that the services can only be performed by a DMAS-qualified occupational therapy provider as defined in Chapter II of this manual;
- Based on the assessment made by the licensed occupational therapist, services must be provided with the expectation that the condition of the student will improve in a reasonably and generally predictable period of time, or the services are necessary to ameliorate the condition or reduce disease progression;
- The services must be in association with a specific diagnosis in the current ICD manual; and
- The services must be specific and provide effective treatment for the student's condition in accordance with accepted standards of medical practice.

A licensed occupational therapist must develop the plan of care; however, the implementation of the plan may be carried out by a licensed occupational therapy assistant (OTA) as defined in Chapter II of this manual.

Note: Covered occupational therapy services must be provided by DMAS-qualified occupational therapy providers. These services may not be performed by supportive personnel (e.g., unlicensed service providers (e.g., occupational therapy aides, personal care assistants, nursing staff, and volunteers). Please refer to Personal Care Assistant Services section of this chapter for more information on covered services performed by these individuals.

### Speech-Language Therapy

Speech-language therapy services are services provided to a student that meet all of the following conditions:

- The services must be included in the student's IEP and must be directly and specifically related to an active written plan of care developed by a licensed master's level SLP who is also a DMAS-qualified provider;
- The services must be of a level of complexity and sophistication or the condition of the student must be of a nature that the services can only be performed by a DMAS-qualified speech-language therapy provider as defined in Chapter II of this manual;
- Based on the assessment made by the DMAS qualified provider, services must be provided with the expectation that the condition of the student will improve in a reasonable and generally predictable period of time, or the services are necessary to ameliorate or reduce the disease progression;
- The services must be in association with a specific diagnosis in the current ICD manual; and
- The services must be specific and provide effective treatment for the student's condition in accordance with accepted standards of medical practice.

Only a DMAS-qualified licensed master's level SLP can develop a plan of care. The implementation of the plan may be carried out by a qualified DMAS provider of speech and language pathology services, which includes licensed non-master's level SLPs working under the supervision of a licensed masters-level SLP.

Note: Covered speech-language therapy services must be provided by DMAS-qualified speech-language therapy providers. These services may not be performed by supportive personnel (e.g., unlicensed service providers such as speech-language therapy aides, personal care assistants, nursing staff, and volunteers). Please refer to Personal Care Assistant Services section of this chapter for more information.

### Audiological Services

Audiological services are services provided to a student that meet all of the following conditions:

- The services must be included in the IEP and must be directly and specifically related to an active written plan of care designed by a licensed Audiologist who is also a DMAS qualified provider;
- The services must be of a level of complexity and sophistication or the condition of the student must be of a nature that the services can only be performed by a DMAS-qualified audiological provider as defined in Chapter II of this manual;
- The services must be provided with the expectation, based on the assessment made by the DMAS qualified provider, that the condition of the student will improve in a reasonable and generally predictable period of time, or the services must be necessary to improve symptoms or slow the disease progression;
- The services must be in association with a specific diagnosis in the current ICD manual; and
- The services must be specific and provide effective treatment for the student's condition in accordance with accepted standards of medical practice.

Only a licensed Audiologist as detailed in Chapter II of this manual can provide audiological services.

Note, there is no provision for DMAS to reimburse for audiology services provided by unlicensed student interns, even if they are working under the direct supervision of a licensed provider. DMAS does not reimburse for hearing screenings provided by LEA providers.

### **ADDITIONAL GUIDANCE FOR PSYCHIATRY, PSYCHOLOGY AND MENTAL HEALTH SERVICES**

Psychiatry, psychology and mental health services must meet the following conditions:

- Services must be included in the IEP; and
- Services must be of a level of complexity and sophistication, or the condition of the student must be of a nature that the services can only be performed by a qualified psychiatric, psychological or mental health provider as defined in Chapter II of this manual.

On-going psychiatry, psychology and mental health services must also:

- Be based on an evaluation that includes a mental status examination;
- Be directly and specifically related to an active written plan (e.g., plan of treatment) developed by a DMAS qualified psychiatric, psychological or mental health

- provider, as defined in Chapter II of this manual;
- Be associated with a specific diagnosis based on the current ICD manual;
  - Be required in order to:
    - Sustain behavioral or emotional gains or to restore cognitive functional levels, which have been impaired; or
    - Improve emotional or behavioral symptoms that are impacting attention and concentration, the ability to learn, or the ability to participate in educational or social activities;
  - Services must be specific and provide effective treatment for the student's condition in accordance with accepted standards of medical practice.

## **CRITERIA FOR NURSING SERVICES**

Skilled nursing services are to be rendered in accordance with the licensing standards and criteria of the Virginia Board of Nursing. Services are to be performed by a Virginia-licensed registered nurse (RN), or Virginia licensed practical nurse (LPN) working under the supervision of an RN, in accordance with Board of Nursing regulations.

Skilled nursing services are those that are deemed medically necessary to assess, monitor, and provide medical interventions to treat or maintain the student's medical condition. The services must be of a level of complexity and sophistication or the condition of the student must be of a nature that the services can only be performed by an RN, or an LPN supervised by an RN. Examples of skilled nursing services include tube feedings, dressing changes, maintaining patient airways, medication administration/monitoring and urinary catheterizations.

Services that do not require the skill level of a licensed nurse, as described above, may not be billed as skilled nursing services even when performed by a licensed nurse, although an RN may supervise such tasks performed by non-licensed personnel.

If the provision of a billable service that does not require the skill level of a licensed nurse coincides with the provision of a skilled nursing service, the licensed nurse may bill for both services (e.g., personal care service).

Note, the ordering physician, physician assistant or nurse practitioner does not have to be a part of the IEP team to order nursing services, although the need for the services must be listed or referenced in the IEP in order to be reimbursed.

### Service Units

The unit of service for nursing is 15 minutes. Time spent by an RN or LPN in delivering authorized nursing services to a covered student, as a part of the student's IEP, may be submitted to DMAS for reimbursement. The approved nursing units may include both nursing and personal care time if the personal care tasks are incidental to the nursing care. Payment of nursing services is limited to 6.5 hours per day or 26 units per day.

## **PERSONAL CARE ASSISTANCE SERVICES**

All of the following criteria must be met in order for personal care assistant services to be determined appropriate in the local education agency setting and reimbursable by DMAS:

- The service must be included in the IEP;
- Training and supervision must be provided by the appropriate, discipline-specific DMAS qualified provider of the services as listed in the plan of care.

Services may include, but are not limited to the following:

- Assistance with ADLs (e.g., bathing, dressing, toileting, eating/feeding).
- Assistance with meal preparation for the individual.
- Supervision related to a health condition (stand-by assistance).
- Maintenance level services (e.g., student positioning or transfer assistance, performing exercises to maintain range of motion).
- Assistance with adaptive behavioral functioning performed as part of a written behavior modification plan developed by a licensed mental health provider.
- Supervision to ensure a student's safety while using non-emergency specialized transportation to travel to or from a site where another DMAS-covered, IEP-authorized service is being performed. The other service must be billed to and reimbursed by DMAS in order for the personal care assistance services to be covered.

Note, some students that are eligible for or are receiving covered, school-based, IEP-authorized personal care services may also receive personal care services outside of the school setting through a separate DMAS benefit (e.g., Medicaid Home and Community Based Services waiver, Medicaid EPSDT).

### **Service Units**

The unit of service for personal care is 15 minutes. The LEA may only bill for one personal care service per unit of time per student, regardless of the number of personal care assistants required to complete the service for that student.

An LEA may bill for up to six personal care transportation assistance "visits" performed by a single assistant during a single trip.

### Non-Covered Services

- General supervision for non-medical reasons (e.g., toileting for two year old); and
- Performance of tasks for the sole purpose of assistance with completion of educational assignments.
- General supervision that does not require the skill of a trained personal care assistant supervised by a licensed provider.

### **CRITERIA FOR MEDICAL EVALUATION SERVICES**

LEAs may bill for medical evaluation services when performed by a physician (see 42 CFR §440.50) or by a non-physician licensed practitioner acting within their scope of practice under State law (see “medical or other remedial care provided by licensed practitioners” at 42 CFR §440.60). Persons performing these services must be DMAS qualified providers as defined in Chapter II of this manual acting within the scope of their practice.

Reimbursable medical evaluation services include:

- Assessment of a student’s medical needs in order to determine if he or she is eligible for special education services, if the student is subsequently enrolled in special education and the assessment is documented in the IEP;
- Review of a student’s initial IEP to confirm the medical necessity for the medical/mental health related services recommended by the IEP team;
- Annual review of a student’s IEP to confirm continuing medical necessity for the medical/mental health related services recommended by the IEP team;
- Review of additional documents related to a student’s medical/mental health status either for consultative purposes or to determine medical necessity for services;
- Participating in meetings with IEP providers and/or family members to provide medical input concerning a student’s disability and medical/mental health-related services needed;
- Coordinating LEA-based medical/mental health related services with those rendered outside the school setting. For example, conferring with a student’s primary care physician about medication needs; and
- Completion of record documentation activities relative to the IEP.

## **CRITERIA FOR SPECIALIZED TRANSPORTATION**

Non-emergency specialized transportation provided by a local education agency is a covered service on days when the student receives another DMAS covered service documented in the IEP. The other service must be billed to and reimbursed by DMAS. Specialized transportation must also be included in the student's IEP in order to be covered.

Specialized transportation enables the student to receive the DMAS covered service. Specialized transportation may involve a trip from the student's home to the LEA site and the return trip, or from the LEA site or student's home to an LEA contracted provider site, and the return trip. Specialized transportation must be rendered by local education agency personnel or contractors.

Specialized transportation refers to a specially equipped school vehicle that is designed, equipped, or modified to accommodate students with special needs. (See 8VAC20-70-10 for definitions of "school bus" and specially equipped school bus.)

Note, LEA specialized transportation services are not delivered through the Virginia Medicaid Non-Emergency Transportation (NET) Brokerage program.

## **TELEMEDICINE**

Telemedicine is a means of providing covered services through the use of two-way, real time interactive electronic communication between the student and the DMAS-qualified provider located at a site distant from the student. This electronic communication must include, at a minimum, the use of audio and video equipment.

The following school-based services may be provided via telemedicine: PT, OT, speech and language, psychological and mental health, and medical evaluation services. DMAS does not require the presence of a paid staff person with the student at the time of the service, however, a paid staff person must be present and supervise the visit if the LEA submits a claim for the "originating site fee".

Reference the "DMAS Telehealth Manual Supplement" for additional details on DMAS's requirements for telemedicine.

## **CLAIM INQUIRIES & RECONSIDERATION**

For inquiries concerning covered benefits, specific billing procedures or questions regarding Virginia Medicaid policies and procedures call (800) 552-8627.